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EXECUTIVE COMMITTEE OF THE
HIGH COMMISSIONER'S PROGRAMME

Forty-second session

REPORT OF THE UNITED NATIONS BOARD OF AUDITORS ON THE AUDIT OF THE ACCOUNTS OF VOLUNTARY FUNDS ADMINISTERED BY UNHCR FOR THE YEAR 1990

Addendum

REPORT OF THE ADVISORY COMMITTEE ON ADMINISTRATIVE AND BUDGETARY QUESTIONS (ACABQ) TO THE GENERAL ASSEMBLY AT ITS FORTY-SIXTH SESSION

The comments and observations of the ACABQ on the Report of the Board of Auditors on the Voluntary funds administered by UNHCR for the year 1990 are contained in paragraphs 17 to 21 of the ACABQ's report to the forty-sixth session of the General Assembly, document A/46/510. Those paragraphs are reproduced below:

"17. The Advisory Committee notes that owing to the late submission of the administration's comments, it was not possible for the Board to evaluate the efficacy of measures envisaged or already taken to address the previous recommendations of the Board. During the Board's final audit, however, the recommendations that fell within the scope of its examination were reviewed and those requiring further action have been included in the present report. An evaluation of the effectiveness of measures taken will be conducted in the Board's next audit (para. 6).

18. Administrative and financial irregularities of varying magnitude by individuals are reported by the Board in paragraphs 51 to 56 of the report as well as in paragraphs 65 to 71. The Advisory Committee endorses the Board's recommendation that existing organizational arrangements and procedures for the management of cash resources in field offices should be strengthened and personal responsibility for losses re-emphasized (para. 7(b)).

19. Details of misappropriation of funds by the staff of an implementing agency are reported in paragraphs 57 to 64 and various instances of inefficient utilization of resources by an implementing partner are reported in paragraphs 93 to 100; circumstances regarding theft and disappearance of non-expendable property and looting of cash and non-expendable property are described in paragraphs 101 to 108. The Advisory Committee is very concerned with the Board's findings, particularly with regard to the role of the implementing partners, whether Governments or non-governmental organizations, and believes that the problems raised by the Board need urgent attention by the Executive Committee of UNHCR.

20. The Advisory Committee notes that the Board's review of project activities disclosed operational weaknesses in the areas of project reporting and delivery, storage of relief goods and the utilization of financial resources (para. 79). In this connection, the Advisory Committee believes that streamlining of reporting procedures would not only make the process more cost effective but would also make it easier for implementing partners to comply fully with them.

21. Paragraphs 87 to 92 describe the circumstances of alleged confiscation of relief goods valued at $ 294,401 by a host country. The Advisory Committee shares the Board of Auditors concern that "over one year after the relief items were allegedly confiscated (May 1990) headquarters still does not exactly know what has happened to the items". The Advisory Committee trusts that UNHCR will conduct an investigation to determine whether the goods were actually confiscated and if so, seek appropriate restitution, in addition to taking appropriate steps to plan adequately for future storage facilities."